

REMARKS

Applicant has carefully studied the Office Action of September 23, 2005 and offers the following remarks to accompany the above amendments.

Applicant amends the specification to correct typographical errors and to make a sentence read more coherently. No new matter is added.

Applicant amends claims 1, 4-10, 13, 18-25, 27, and 32-44 to provide appropriate antecedent basis for the claim elements and/or grammatical correction. The scope of the claims does not change, and no new matter is added. New claims 45 and 46 are added. This amendment adds two independent claims and two claims over twenty. As Applicant is a large entity, these extra claims incur a fee of \$500.00. Applicant encloses a credit card form for payment of the extra claims fee.

Claims 1-3 are rejected under 35 U.S.C. § 102(e) as being anticipated by Johnson et al. (hereinafter "Johnson"). Applicant respectfully traverses. For a reference to be anticipatory, the reference must disclose each and every claim element. Further, the elements of the reference must be arranged as claimed. MPEP § 2131. The requirement that each and every element be disclosed in this manner is a rigorous standard that the Patent Office has not met here.

Claim 1 recites **"when a digital file is to be transferred over the peer-to-peer network** from a sending node to a receiving node, allowing other nodes to submit bids to transport the file over the network for a particular price. . ." (emphasis added). The Patent Office asserts this element is shown by Johnson's abstract; col. 2, line 45-col. 3, line 26; col. 3, lines 46-65; and col. 20, lines 30-44. Applicant respectfully traverses this assertion. While Johnson's passages do discuss the transmission of data and video over the network, the bid is not submitted "when a digital file is to be transferred", as recited in the claim. Rather, the bids are submitted independently of the presence or absence of a file and are based instead on time and bandwidth availability. Specifically, Johnson's abstract states in full:

The herein disclosed auction service stimulates competition between service providers to carry 800 Customers' traffic and facilitates the 800 Customer's ability to make economic choices between telecommunication carriers. In this method and system, telecommunication switches route toll-free calls (e.g., calls dialed using an NPA of 800 or 888 in the United States and, typically, paid for by the called party, the 800 Customer) in accordance with economic incentives (e.g., least cost routing) resulting from an auction process between participating telecommunication carriers ("Carriers"), administered by a bidding service provider through operation of a central processor, a computer referred to as a

bidding moderator (the "Moderator"). The Moderator provides each Carrier with bid information from other Carriers for at least a portion of all point-to-point routes for which any Carrier has submitted a bid. The Carriers receiving the information will have the opportunity thereafter to submit a lower or higher bid for any point-to-point routes on which they wish, respectively, to stimulate or discourage additional traffic.

The abstract describes a bidding service, wherein carriers submit bids and the moderator provides the carriers with information about the bids of other carriers, for at least a portion of all point-to-point routes for which any carrier has submitted a bid. Nothing in the abstract describes the timing or event that triggers the bid. Certainly, there is no teaching within the abstract that the bids are allowed "when a digital file is to be transferred", as recited in claim 1.

Johnson, col. 2, line 45-col. 3, line 26 states in full:

The herein disclosed invention stimulates competition between service providers to carry 800 Customers' traffic and facilitates the customer's ability to make economic choices between telecommunication carriers.

In this method and system, telecommunication switches route toll-free calls (e.g., calls dialed using an NPA of 800 or 888 in the United States and, typically, paid for by the called party, the 800 Customer) in accordance with economic incentives (e.g., least cost routing) resulting from an auction process between participating telecommunication carriers ("Carriers"), administered by a bidding service provider through operation of a central processor, a computer referred to as a bidding moderator (the "Moderator").

In this arrangement, each of the Carriers transmits to the Moderator the rate it is willing to charge (or other economic incentive it is willing to offer) for service between two specific switching points on one or more telecommunication networks, from an originating switching point to a toll-free call's specific terminating switching point (otherwise referred to herein as a "route"), at some particular time. A "route" is service from the "originating switching point," i.e., the switching point on a telecommunications network that serves as the most immediate switching interface between the calling party and that telecommunications network (e.g., a local exchange switch or equivalent local switching node, whether hardware or software-defined, providing access to that network), to the "terminating switching point," i.e., the switching point on a telecommunications network (which may, but need not be, owned or operated by the same carrier who owns or operates the originating switching point) that serves as the most immediate switching interface between the called party and that telecommunications network (e.g., a local exchange switch or equivalent local switching node, whether hardware or software-defined, providing access to that network).

Carriers may submit bids to the Moderator for routes over different types of telecommunications networks (e.g., circuit-switched, frame relay, asynchronous transfer mode, packet data networks such as the Internet, etc.) and

for different classes of telecommunications service provided by such networks (e.g., transmission of voice, data, video, etc.). Access to such telecommunications networks or facilities by end users or by other telecommunications carriers or service providers may be, for example, via the public switched telephone network, dedicated facilities, private lines, wireless facilities, coaxial cable, electric utility power lines, Ethernet or other local area network (LAN), metropolitan area network (MAN) or wide area network (WAN) connections.

The cited passage discusses the submission of bids by the carriers to the moderator and further indicates that the bid may be based on the type of communication network and the type of service provided (data, audio, or video). However, the bids are submitted for providing service between two specific switching points on one or more telecommunications networks from an originating switching point to a terminating switching point at some particular time (see Johnson, col. 2, lines 59-65). There is no indication that the submission of bids is tied to "when a digital file is to be transferred", as recited in claim 1. Thus, this passage does not teach the claim element.

Johnson, col. 3, lines 36-65 states in full:

After each new bid is submitted by a Carrier and processed by the Moderator, the Moderator will distribute at least a portion of the bid information to participating Carriers' network management centers. The Moderator provides each Carrier with bid information from other Carriers for at least a portion of all point-to-point routes for which any Carrier has submitted a bid (e.g., from any originating NPA-NXX to any other NPA-NXX, or otherwise-defined destination, on the public switched telecommunications network in the world). The Carriers receiving the information will have the opportunity thereafter to submit a lower or higher bid for any point-to-point routes on which they wish, respectively, to stimulate or discourage additional traffic. A Carrier may wish to submit different bids for routes that terminate using more than one class of service (e.g., call completion via the local exchange carrier's local switched network for some toll-free calls, call completion via dedicated access facilities for others).

This passage indicates that the bids are sent to the other carriers so that the bids may be adjusted if needed or desired. However, nothing in this passage ties the submission of the bids to "when a digital file is to be transferred", as recited in claim 1. Thus, this passage does not teach the claim element.

Johnson, col. 20, lines 30-44 states in full:

On certain types of telecommunication networks (e.g., packet data networks), a call attempt presented to a switch, for which a routing decision can be made, may consist of all or only part of the message or information (whether voice, data,

video, etc.) being transmitted during the call by the calling party to the called party. For example, on packet data networks, when a calling party sends a data file to the called party, the network infrastructure would break up this file into a series of individual packets that are separately addressed and transmitted to the called party. Each of these packets may cross over different paths in traveling from the originating switching point to the terminating switching point. Each packet can be treated as a call attempt and a routing decision can be made for each packet.

This passage confirms that voice, data, and video communication services are contemplated over packet data networks. However, this passages does not indicate that the submission of bids occurs "when a digital file is to be transferred", as recited in claim 1. Thus, this passage does not teach the claim element.

In short, the Patent Office is ignoring an explicit portion of the claim. The claim requires allowing the bids to be submitted when the digital file is to be transferred. Johnson does not link the bid submission to this condition and, thus, Johnson does not anticipate claim 1. Claims 2 and 3 depend from claim 1 and are not anticipated at least for the same reasons.

Claim 3 deserves special mention. Claim 3 recites "billing the user of the sending node." In contrast, Johnson is a 1-800 billing system. The carriers bill the 800 customer for using the node, not the sender (see Johnson, col. 2, lines 20-22). The Patent Office asserts that this element is shown by Johnson, col. 22, lines 25-65. Applicant respectfully traverses this assertion.

Johnson, col. 22, lines 22-65 states in full:

In order to bill each 800 Customer for services provided by each Carrier, the Moderator can associate the call completion data with the bidding data. In order not to require each 800 Customer subscribing to the bidding arrangement to establish a billing relationship with each Carrier taking part in the auction process, a central billing arrangement is advantageous. In the billing arrangement illustrated in FIG. 18, the bidding and routing takes place as illustrated in FIG. 9 or 10. After the subscribing switch (e.g., an 800 Switch or a central office switch querying the Moderator) routes a call 33, it transmits to the Moderator the call completion data 60 identifying the call source, the called party (i.e., the 800/888 number dialed), the Carrier, and any other information necessary for billing purposes (e.g., the time and duration of the call). The Moderator associates 61 the call completion information with the bidding information in its memory to form a billing record of the call, which is stored in a billing data base. Periodically (e.g., at the end of each billing period) the Moderator sorts the billing records by called party identifier and generates a bill 62. This approach results in the preparation of

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one bill for the 800 Customer covering all of its toll-free calls handled via the auction process during the period specified.

This passage confirms that the 800 customer is billed, not the sending node. Thus, this passage actually teaches the opposite of what is claimed. Since this passage teaches the opposite of what is claimed, Johnson does not anticipate claim 3.

Claims 4-32 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Johnson in view of Odlyzko. Applicant respectfully traverses. For the Patent Office to combine references in an obviousness rejection, the Patent Office must do two things. First, the Patent Office must state a motivation to combine the references, and second, the Patent Office must support the stated motivation with actual evidence. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). Once a proper combination is made, for the Patent Office to establish *prima facie* obviousness, the Patent Office must show where each and every claim element can be found in the combination of references. MPEP § 2143.03.

Applicant initially traverses the rejection because the Patent Office has not properly supported the motivation to combine the references. Specifically, the Patent Office asserts that the motivation to combine the references is "allowing a user to specify different channels for different types of communications for obtaining a high quality of service when needed for transmitting electronic files (such as news downloads)." (Office Action of September 23, 2005, page 4, lines 7-9 and page 6, lines 5-7). This asserted motivation lacks the actual evidence required by the Federal Circuit in *Dembiczak*. Lacking the required evidence of motivation, the combination cannot support the obviousness rejection. Applicant therefore requests withdrawal of the § 103 rejection and allowance of the rejected claims on this basis.

Applicant further traverses the rejection because, as explained above, Johnson does not teach that the bids are allowed "when a digital file is to be transferred", as recited in the claims. Nothing in Odlyzko cures the deficiencies of Johnson. Since the references individually do not teach or suggest the claim element, the combination cannot teach or suggest the claim element. Since the combination does not teach or suggest the claim element, the combination does not establish obviousness.

Claim 1 has been specifically addressed above. Claims 4-9 depend from claim 1 and are allowable for the same reason claim 1 is allowable.

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Claim 10 recites "means for allowing other nodes to submit bids to transport a digital file over the network for a particular price **when the file is to be transferred from a sending node to a receiving node. . .**" (emphasis added). The highlighted portion of the claim is essentially the same as that addressed above, and thus, claim 10 is allowable for the same reasons. Claims 11-18 depend from claim 10 and are allowable at least for the same reasons.

Claim 19 recites "when a digital file is to be transferred over the peer-to-peer network from a sending node to a receiving node, allowing other nodes to submit bids to transport the file. . . ." This element is essentially the same as that addressed above, and thus, claim 19 is allowable for the same reasons. Claims 20-25 depend from claim 19 and are allowable at least for the same reasons.

Claim 26 recites "means for allowing other nodes to submit bids to transport a digital file over the network for a particular price when the file is to be transferred over the network from a sending node to a receiving node. . . ." This element is essentially the same as that addressed above, and thus, claim 26 is allowable for the same reasons. Claims 27-32 depend from claim 26 and are allowable at least for the same reasons.

In light of the foregoing, Applicant requests withdrawal of the § 103 rejection of claims 4-32 at this time.

Claims 33-44 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Johnson in view of Odlyzko and Barzilai et al. (hereinafter "Barzilai"). Applicant respectfully traverses. The standards for establishing obviousness are set forth above.

Applicant initially traverses the rejection because the Patent Office still has not set forth the actual evidence to combine Johnson and Odlyzko, as explained above. Since this underlying combination is improper, the rejection is improper. Since the rejection is improper, the claims are allowable.

Applicant further traverses the rejection because the Patent Office has not properly supported the motivation to combine Barzilai with the other references. Specifically, the Patent Office states that the motivation is "to allowing [sic] a paying members to submit bids for different channels for different types of communications for obtaining a high quality of service when needed for transmitting electronic file" (Office Action of September 23, 2005, page 8, lines 2-5). This asserted motivation also lacks the evidence required by the Federal Circuit in *Dembiczak*. Lacking the required evidence of motivation, the combination cannot support the

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obviousness rejection. Applicant therefore requests withdrawal of the § 103 rejection and allowance of the rejected claims on this basis.

Applicant further traverses the rejection because the rejection does not establish obviousness. Claim 33 recites "accepting bids to transport the file from other nodes". As discussed above, Johnson does not bid on transporting a particular file, as recited in the claim. Johnson's bids are for a particular time and a particular originating switch and terminating switch. Johnson does not teach bidding on transporting a particular file. The Patent Office points to nothing in Odlyzko or Barzilai that cures the deficiencies of Johnson. Thus, the combination of references does not teach or suggest the claim element. Since the combination does not teach or suggest the claim element, the combination does not establish obviousness.

Claims 34-43 depend from claim 33 and are allowable at least for the same reasons.

New claims 45 and 46 correspond to original claims 10 and 26 respectively, but the new claims are presented without means plus function language. No new matter is added. New claims 45 and 46 are patentable for the same reasons that claims 10 and 26 are patentable.

Applicant requests reconsideration of the rejections in light of the amendments and remarks presented herein. Johnson's bidding process is not the same as the recited "allowing of bids when a digital file is to be transferred", and the Patent Office is impermissibly combining the references. Applicant earnestly solicits claim allowance at the Examiner's earliest convenience.

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Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow, Esq.
Registration No. 40,876

P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

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